

'We're doing pretty good' | Economic Summit shows area weathering recession

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Speakers at the 2009 Economic Summit reinforced a message we've been reporting for some time: Our region has made great strides in diversifying its economy, and is riding out the current recession better than most areas.

From U.S. Rep. John Murtha to Pitt-Johnstown business professors John McGrath and Ron Vickroy, the message was the same: It is not an accident that the region has more jobs now than two decades ago and that the Cambria region's unemployment rate is now below the state and national averages.

McGrath and Vickroy offered a snapshot of the 2009 business survey sponsored by the Greater Johnstown/Cambria County Chamber of Commerce.

&Idquo;Over time, we have taken this huge disadvantage and turned it around so that we are at least competitive with our counterparts at the state and national levels," McGrath said.

That disadvantage was at one time the backbone of the region's economy: Steel.

But the 1977 Flood and the shifting of production overseas meant the demise of the local steel industry and brought an unemployment rate of 24 percent in the early 1980s.

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That came after a boom before the flood, when the region boasted a 4 percent rate of unemployment.

Now, as the national recession lingers, the Johnstown region is at 10 percent unemployment – still higher than we would like, but better than many other areas.

And the key has been a complex web of efforts toward diversification:

• An emphasis on tourism and recreation, which equate to a better quality of life and make our region more attractive to potential companies and employees.

• Enhanced technology, from broadband Internet to cellular communications facilities.

• A cleaner environment, which expands recreation opportunities and makes for a safer community.

• Improved infrastructure, including water and sewage systems.

• Improving roads, an ongoing concern.

• The growth of the local defense sector.

• The strength of our area's health-care industry.

• Growing educational opportunities, including four- and two-year colleges.

Optimism about the economy is higher here than surveys show nationally, and most businesses that responded predicted modest growth or at least a stabilizing of their financial outlooks.

&ldguo; We' ve got a ways to go,&rdguo; Vickroy said, &ldguo; but we' re doing pretty good.&rdguo;

This theme was addressed in a recent story on our Sunday Business front by longtime state employment specialist Bill Findley. He noted that efforts to diversify job creation during the period since the loss of the big steelmakers

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helped position this region to navigate the current recession.

&Idquo;Unlike before, overall economic conditions are presently more favorable to withstand a downturn in the economy," Findley wrote. &Idquo;In the past, these events had occurred in a labor market where double-digit unemployment already existed, a few key industries sustained major losses and an extended recovery period was inevitable."

As Vickroy noted, much work remains.

But the formula is working.

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